

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
February 23, 2015

Directors Present: John Jeter, President
Bill Dickson, Vice President
Mary Ann Melleby, Treasurer
Blair Ball, Director (arrived at 1:36 p.m.)
Ron Duncan, Director
Ray Morris, Director (by teleconference)
Leonard Stephenson, Director

Staff and Consultants Present:
Jeff Davis, General Manager
Tom Todd, Jr., Finance Manager

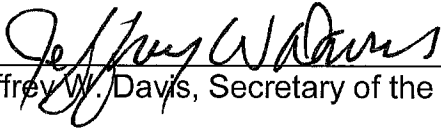
1. **Call to Order, Flag Salute and Roll Call:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by President John Jeter at 1:30 p.m., February 23, 2015, in the Agency Conference Room at 1210 Beaumont Avenue, Beaumont, California. President Jeter led the Pledge of Allegiance to the flag. A quorum was present.
2. **Statement Regarding Teleconferencing:** General Manager Jeff Davis stated that participation in this meeting was possible by teleconference, at 10213 Overland Trail, Cherry Valley, CA 92223. The agenda had been posted as required at that location, and it was determined that listeners in both locations could hear the meeting and any responses.
3. **Adoption and Adjustment of Agenda:** The agenda was adopted as published.
4. **Public Comment:** No members of the public wished to make any comment at this time.
5. **New Business:**
President Jeter turned the meeting over to the Chair of the Finance & Budget Committee, Director Mary Ann Melleby.
 - A. Ratification of Paid Invoices and Monthly Payroll for the Month of January, 2015 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by Director Duncan, seconded by Director Dickson, to recommend that the Board ratify paid monthly invoices of \$1,007,349.63 and payroll of \$32,847.92 for the month of January, 2015, for a combined total of \$1,040,197.55. The motion passed by roll call vote, 7 in favor, no opposed.

- B. Review and Consideration of Pending Legal Invoices for January, 2015: After review and discussion, a motion was made by Director Duncan, seconded by Director Dickson, to recommend that the Board approve payment of the pending legal invoices for January, 2015. The motion passed by roll call vote, 7 in favor, no opposed.
- C. Review of January, 2015 Bank Reconciliation: After review and discussion, a motion was made by Director Duncan, seconded by Director Dickson, to acknowledge receipt of the Wells Fargo bank reconciliation for January, 2015 as presented. The motion passed by roll call vote, 7 in favor, no opposed.
- D. Review of Budget Report for January, 2015: After review and discussion, a motion was made by Director Duncan, seconded by Director Dickson, to acknowledge receipt of the Budget Report for January, 2015. The motion passed by roll call vote, 7 in favor, no opposed.
- E. Review of Miscellaneous Income: At the request of the Chair of the Finance and Budget Committee, a detailed list of the items that are included in the budget category "Other" as of January 31, 2015 was included in the Agenda. Finance Manager Tom Todd reviewed the items.
- F. Review of Cash Reconciliation Report for December 31, 2014: After review and discussion, a motion was made by Director Duncan, seconded by Director Stephenson, to recommend that the Board accept the Cash Reconciliation Report for December 31, 2014. The motion passed by roll call vote, 7 in favor, no opposed.
- G. Review of Reserve Allocation Report for December 31, 2014: After review and discussion, a motion was made by Director Duncan, seconded by Director Dickson, to recommend that the Board approve the Reserve Allocation Report for December 31, 2014.
- H. Review of Proposed Budget Revision: General Manager Jeff Davis led the presentation by briefly describing the difference between Option #1 and Option #2 included in the agenda. The consensus of the Board was to consider Option #1, which included proposed expenditures for items already approved by the Board. The proposed budget revision includes: Increase in General Fund Tax Revenue of \$75,000 for a FY14-15 total of \$1,825,000; an increase in Other Income from the City of Banning and The Banning Heights Mutual Water Company of \$70,000 for a FY14-15 total of \$120,000; a decrease in expenses related to the Urban Water Management Plan of \$20,000 for a FY14-15 total of \$30,000; a new item, Study – Notice of Preparation for a FY14-15 total of \$29,000; a new item, Study – Whitewater Flume Tunnel for a FY14-15 total of \$90,000; and a new item, Study – Environmental Justice for a FY14-15 total of \$15,000. The net effect on the FY14-15 budget after the budget revision would

be an increase in income of \$31,000 after expenses. After review and discussion, a motion was made by Director Dickson, seconded by Director Ball, to recommend that the Board approve Proposed Budget Revision Option #1. The motion passed by roll call vote, 7 in favor, no opposed.

- I. **Review of Investment Policy:** General Manager Davis started the discussion by reminding the Board that the Investment Policy needs to be reviewed annually as stated at the end of the policy. He then reviewed the policy, highlighting the most important points. The mix of current investments was discussed, and Staff proposed that additional funds could be invested in bonds, which are yielding a better return than other cash deposits. After review and discussion, a motion was made by Director Dickson, seconded by Director Duncan, to recommend that the Board direct Staff to take \$3 million from LAIF to be invested with Time Value Investments in bonds. The motion passed by roll call vote, 7 in favor, no opposed.

6. **Announcements:** Chair Melleby reviewed the following announcements:
 - A. San Gorgonio Pass Regional Water Alliance, Technical Committee Meeting February 25, 2015 at 4:30 p.m., Banning City Hall Conference Room
 - B. San Gorgonio Pass Regional Water Alliance Meeting, February 25, 2015 at 6:00 p.m., Banning City Hall Council Chambers
 - C. Regular Board Meeting, March 2, 2015 at 1:30 p.m.
 - D. Engineering Workshop, March 9, 2015 at 1:30 p.m.
7. **Adjournment:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 2:42 p.m.



Jeffrey W. Davis, Secretary of the Board